GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2537
ANSWERED ON:18.03.2005
SETTING UP OF A NATIONAL LEVEL GROWTH FUND
Adsul Shri Anandrao Vithoba;Badiga Shri Ramakrishna

Will the Minister of FINANCE be pleased to state:

(a) whether the Small Industries Development Bank of India (SIDBI) proposes to set up a national level growth fund;

(b) if so, the facts thereof;

(c) the projects/sectors proposed to be financed by the funds;

(d) the targets fixed by SIDBI during each of the last two years till date and achievements recorded during the said period; and

(e) the increase in funds proposed by SIDBI afterfinaiisation of the said fund?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) Small Industries Development Bank of India (SIDBI) has setup a national level venture capital fund known as SME Growth Fund (SGF) with an initial corpus of Rs. 100 crores subsequently to be enhanced to Rs. 500 crores. The SGF is being managed by SIDBI Venture Capital Limited.

(c) SGF is a general fund and shall make investments in units operating in growth sector such as life sciences, retailing, light engineering, food processing, information technology etc.

(d) SGF was formally launched in October, 2004. It has sanctioned investment in two companies and is expected to pickup momentum in the coming months. The funds corpus is likely to be fully committed in the next 4-5 years.

(e) After finalisation of SGF, the fund is proposed to be increased to Rs. 500 crores.